



consumer news

Office of Consumer Affairs

Virginia H. Knauer, Director

Vol. 3, No. 10, Aug. 15, 1973

Sociology & Economics
Detroit Public Library

Room

Car complaint centers

If you have a complaint about a new car, you could not be more typical. But take heart, help is on the way. In fact, if you live in one of 7 selected areas, help could already be just a telephone call away.

National Automobile Dealers Association (NADA) has started a pilot project to resolve consumers' car complaints. Impetus for the project came from an Office of Consumer Affairs (OCA) survey indicating that cars represent the No. 1 source of complaints to most state & local consumer protection offices. Under the experimental project, consumers in the 7 areas can now appeal to an informal panel of dealers & consumers set up by automobile dealers associations specifically to resolve consumer complaints at state or local levels. The panels are called Automobile Consumer Action Panels (AutoCAPs).

As developed by NADA, the panels seek to provide speedy & fair resolution for most problems that are not resolved by the dealer or manufacturer. Three AutoCAPs are serving the states of Oregon, Pennsylvania & Utah. The other AutoCAPs are local ones in the metropolitan areas of Cleveland, Denver, Orlando & Washington. If you live in one of these areas & have a car problem that has not been handled satisfactorily by either the dealer or the manufacturer's district representative, your next move could be to call or write AutoCAP. Since the panel may ask for documentation, you should save all letters, receipts & bills that bear on your problem.

Following are addresses & telephone numbers of the auto dealers associations that are sponsoring AutoCAPs:

Automotive Trade Association National Capital Area
Suite 505
8401 Connecticut Ave.
Chevy Chase, MD 20015
telephone: 301-652-6945

Cleveland Automobile Dealers Association
310 Lakeside Ave., NW
Cleveland, OH 44113
telephone: 216-241-2880

Metropolitan Denver Automobile Dealers Association
Suite 101
70 W. 6th Ave.
Denver, CO 80204
telephone: 303-534-8249

Oregon Automobile Dealers Association
Box 14460
Portland, OR 97214
telephone: 503-233-5044

Orlando Automobile & Truck Dealers
Suite 221
1350 Orange Ave.
Winter Park, FL 32789
telephone: 305-647-5100

Pennsylvania Automotive Association
Box 2955
Harrisburg, PA 17105
telephone: 717-232-1931

Utah Automobile Dealers Association
Box 1019
Salt Lake City, UT 84101
telephone: 801-355-7473

If you live in an area not yet served by one of these AutoCAPs, you may want to contact your state or local automobile dealers association to suggest that they initiate plans to sponsor such a complaint panel.

The following domestic manufacturers & foreign car importers have announced support of the program: American Motors Corp., Chrysler Corp., Fiat-Roosevelt Motors Inc., Ford Motor Co., General Motors Corp., Toyota Motor Sales U.S.A. & Volvo of America Corp. Plans call for their representatives to serve on AutoCAPs along with consumers & dealers. American Imported Automobile Dealers Association also supports the program.

Court supports FTC's rule making power

Deciding on a case that would require service stations to post octane ratings for gas, the U.S. Court of Appeals for the District of Columbia has upheld **Federal Trade Commission's (FTC)** authority to issue trade regulation rules identifying unfair or deceptive trade practices. In effect, the decision says that FTC may regulate an entire industry by ruling that certain trade practices are illegal. Though rule making must be preceded by adequate investigation & hearings, it is a faster & further reaching approach to regulation than the alternative method of suing one company at a time for alleged unfair or deceptive practices.

The case in question (*National Petroleum Refiners Association v. Federal Trade Commission*) was brought by 34 gas refining companies, charging that FTC did not have authority to issue its 1971 trade regulation rule on octane ratings. That rule asserted that failure to post octane ratings on gasoline pumps at service stations constitutes unfair competition & is illegal. [CONSUMER NEWS: March 1, 1973, & Jan. 1, 1972]. An octane rating indicates a gasoline's "anti-knock" capacity.

Supporting FTC's rule making authority, the court held that this power is consistent with the language & purposes of the Federal Trade Commission Act of 1914. The decision further added that the commission had not lost its rule making power simply because it had not used the power for the 48 years between 1914 & 1962, when the commission first issued trade regulation rules.

Further legal moves will take place, however, before consumers will be seeing octane ratings posted at service stations as a result of FTC authority. The court of appeals decision covered only FTC's rule making power; the court sent the case back to the U.S. District Court for the District of Columbia for a decision on whether FTC's rule making procedures are adequate. (However, action by **Cost of Living Council (CLC)** on posting octane ratings may get around the court delays to FTC's regulation. (See CLC story page 3.)

FTC gears up for more consumer protection

Federal Trade Commission (FTC) has realigned staff responsibilities in the Bureau of Consumer Protection to stimulate new approaches toward solving consumer problems. Primary goal is to enable the bureau to put more emphasis on developing trade regulation rules that define unfair & deceptive trade practices. Previously, only one division in the bureau could issue regulations for an industry as a means of protecting consumers. Other divisions had to sue individual companies to stop unfair or deceptive practices on a case-by-case basis.

Under the reorganization plan, all bureau attorneys can develop trade regulation rules. The reorganization is an outcome of the decision by the U.S. Court of Appeals for the District of Columbia that affirmed FTC's rule making power (See court story above).

New Federal publications

The following are available from **Public Documents Distribution Center**, 5801 Tabor Ave., Philadelphia, PA 19120. Make checks or money orders payable to **Superintendent of Documents**.

Marihuana: A Signal of Misunderstanding, Appendix Vol. 1 & Vol. 2 (technical papers of the first report of the National Commission on Marihuana & Drug Abuse), published by **National Commission on Marihuana & Drug Abuse**; #5266-0002; both volumes as a set, paper cover, \$10.75.

Requirements of the U.S. Food, Drug & Cosmetic Act, published by **Food & Drug Administration**; #1712-0138; 40¢.

Questions & Answers About Nuclear Power Plants, published by **Environmental Protection Agency**; #5500-0057; 15¢.

Trends in Long-Term Care, published by **U.S. Senate Special Committee on Aging**; Vol 1, 75¢; Vol. 2, 55¢.

Where To Write for Birth & Death Records—U.S. & Outlying Areas, published by **Health Services & Mental Health Administration**; 15¢.

CLC pushes for octane posting

Under a proposed regulation issued as part of **Cost of Living Council's (CLC)** Phase 4 program, the posting of octane ratings may soon be required on all gasoline pumps. (Octane is a measure of the anti-knock value of a gasoline.) The proposed regulation would require that the price of a gallon of gas & the octane rating for the gas be posted on stickers distributed to retail gas stations by the **Internal Revenue Service (IRS)**. The stickers would be 3½x3½ inches & would display octane & price information in one inch letters on each pump. The regulation would further require that each station certify to IRS that the information on these stickers is accurate.

Scheduled to take effect Sept. 12, the proposed regulation is subject to change as the result of public comments (the cutoff date for comments was July 31) or to a possible court challenge by the oil industry. A similar regulation on octane ratings issued in 1971 by the **Federal Trade Commission (FTC)** is still in the courts (see page 2). However, according to CLC, the **Economic Stabilization Act** gives it authority to require any kind of posting that would provide consumers with information about prices. Using this authority, CLC has proposed the posting of octane ratings to insure that oil companies will not reduce the octane for a grade of gasoline without the consumer's knowledge. Such a reduction in quality, unless it is accompanied by a decrease in price, amounts to a price increase for the gas, CLC says.

According to CLC, before the Phase 4 program was announced, 6 major oil companies reduced the octane ratings for their gas from 94 to 93 for regular & from 100 to 99 for premium without telling consumers. The **American Petroleum Institute**, a trade organization representing the oil industry, reports that in most areas of the country, 94 is considered the average octane rating for regular gas & 100 is the average rating for premium. In areas where altitudes are higher, octane ratings are lower.

President's message on banking

President Nixon has proposed in a message to Congress that changes be made in the nation's banking system. Based on many of the recommendations contained in the report of the **Hunt Commission** [**CONSUMER NEWS**: Jan. 15], the message said a banking overhaul is needed to improve the consumer's status as both a saver & a borrower.

The President's message outlined a broad range of complex proposals to increase competition among banks & savings institutions. These are a few of the general areas in which the President proposed changes:

- Gradual elimination of ceilings on the interest rates that may be paid on savings deposits;
- Allowing savings institutions authority to offer certain services—such as checking accounts—that only commercial banks can now offer.
- Giving all banks & savings institutions the authority to offer NOW (negotiable withdrawal) accounts, which are prevalent in New Hampshire & Massachusetts & which, to all intents & purposes, are interest-bearing checking accounts [**CONSUMER NEWS**: June 15].
- Allowing Federally chartered savings institutions to make loans in areas other than home mortgages, to which they are now confined.

S&H green stamps

If you are a collector of **Sperry & Hutchinson Co.'s** green stamps, you may soon have the option of redeeming your stamps for cash or for another company's trading stamps at any trading stamp exchange. (Such exchanges are independent businesses that offer to trade one brand of stamp for another or for cash.) If you choose cash, you can get \$2 for each book of 1200 stamps. These provisions are contained in a consent order provisionally accepted by **Federal Trade Commission (FTC)**. The order follows a court case in which FTC moved against S&H because the company sought to prevent trading stamp exchanges from handling S&H green stamps. S&H challenged FTC's authority to act on the basis of what is unfair to consumers. In deciding the case, the **Supreme Court** asserted that FTC has broad power to declare business practices illegal if they are unfair to consumers [**CONSUMER NEWS**: March 15, 1972].

Dear Consumer:

The food hoarder jeopardizes himself & his community by overpurchasing. He hurts his neighbors because he causes food shortages & price increases. If he overstocks his freezer, he might be taking risks with his family's health. A properly operated freezer, however, can safely contain food for a considerable period.

I have asked experts at both the Food & Drug Administration & Agriculture Dept. for advice on the storage of various food products in freezers. These experts advised me that either overstocked freezers or freezers operating at improper temperatures could result in deterioration of food qualities & unsafe food.

The consumer faces the very real threat not only of a loss of nutrition, flavor, texture & protein characteristics, but also dangerous microbiological growth. You should maintain freezers at 0° to -10° Fahrenheit & should monitor the temperatures with a thermometer located in the freezer but away from the refrigeration system. Under zero conditions, a properly stocked freezer should hold food for the following time periods:

Meat	Months	Fatty fish	6-8
Roast beef	16-18	Lean fish	10-12
Lamb	14-16	Roasting chickens	8-10
Roast pork	8-10	Vegetables	
Sausage	4-6	(commercially frozen)	
Roasting chickens	8-10	Asparagus	8-12
Beef steaks	8-12	Snap beans	8-12
Lamb chops	3-4	Lima beans	14-16
Pork chops	3-4	Corn	8-10
Stew meat	2-3	Cut corn	24
Ground meat	2-3	Spinach	14-16

Lowering of the temperatures to -10° below zero approximately doubles the time food products can be safely contained. At 10° above zero, food begins to thaw & products cannot be safely contained for any considerable length of time. (The average refrigerator has a temperature of about 40° above zero. Meat & poultry products should not be held over 5 days.)

In case of a loss of electrical power, you should not open freezers unless absolutely necessary. A properly operated freezer should keep food about 24 hours if it is not opened.

Sincerely,

Virginia Knauer

CONSUMER NEWS is published the 1st & 15th of each month by the Office of Consumer Affairs, Health, Education & Welfare Dept., to report Federal Government programs for consumers. Use of funds for printing this publication approved by the Director of the Office of Management & Budget, June 27, 1973. Authorization to reproduce any or all items is granted. Editorial address is CONSUMER NEWS, Office of Consumer Affairs, Washington, DC 20201; telephone: 202-962-1608. For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402; subscription \$2 a year, payable to Supt. of Documents. Send changes of address to Superintendent of Documents.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1974-546-249/4



OFFICE OF CONSUMER AFFAIRS

WASHINGTON, D.C. 20201

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
OFFICE OF CONSUMER AFFAIRS



Consumer News: Aug. 15

CNEW DETRO2010 9720 1
DETROIT PUBLIC LIBRARY
5201 WOODWARD AVE
DETROIT MI 48202

Send address changes to Supt. of Documents, Government Printing Office, Washington, DC 20402.

